

BUSINESS OPPORTUNITY

Guided Interpretive Oversnow Vehicle Tours
and Skiers Camp

within
YELLOWSTONE NATIONAL PARK

National Park Service
Intermountain Region

Contract No. CC-YELL500-14

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SUMMARY OF BUSINESS OPPORTUNITY

The following summarizes the key elements of the business opportunity for the CC-YELL500-14 Draft Contract to provide Guided Interpretive Oversnow Vehicle (OSV) Tours and Skiers Camp within Yellowstone National Park (Area). In the event of any inconsistency between the terms of the Draft Contract and this Summary, the Draft Contract will prevail.

NATURE OF BUSINESS AND SERVICES TO BE PROVIDED

This section of the Prospectus describes in general terms the future business opportunity for guided interpretive OSV tours and rustic accommodations (lodging and meals) at a skiers camp near Canyon Village within the Area. The Service intends to award one (1) contract under this Prospectus.

Overview of Required and Authorized Services

REQUIRED VISITOR SERVICES

Service	Description and Location
Guided Interpretive Oversnow Vehicle Transportation Events	Provide OSV tours that originate at the Area's West Entrance and take place throughout the Area. Tours are one or more days.
Provide a Skiers Camp	Temporary rustic accommodations located near Canyon Village that include lodging and food service

AUTHORIZED VISITOR SERVICES

Service	Description and Location
Guided Interpretive OSV custom and charter transportation events	Provide tours that originate at the the Area's West Entrance, and take place throughout the Area. Operators may pick up visitors from other Area entrances. Tours are one or more days.
Guided Interpretive OSV transportation events including other services	Provide tours that include cross-country skiing, snowshoeing, photography, and wildlife viewing throughout the Area.
Guided OSV Shuttle Trips	Provide shuttle services that originate at any Area entrance for express delivery of clients to designated locations in the Area.
Food Service for clients only	Provide clients with food and beverages, which have been prepared in facilities approved by the Area Office of Public Health and Concessions Management Office.
OSV Towing and Repair	Tow disabled OSVs from the Area and perform minor repairs
OSV Freight and Supply	Haul Freight and Supplies for other Concessioners and park contractors throughout the Area during the winter, on roads closed to conventional vehicular travel.

FUTURE CONCESSION OPERATIONS

Offerors are responsible for reading and understanding the current winter use rules for Yellowstone National Park. Refer to Appendix Yellowstone National Park Winter Use Final Rule (36 C.F.R. §7.13(l)).

The Draft Contract includes the required and authorized services with a flexible concept of Oversnow Vehicle transportation events. Reference the Draft Contract, Section 2(o) for the complete definition of a Transportation Event.

CC-YELL500-14 GUIDED INTERPRETIVE OVERSNOW VEHICLE TOURS AND SKIERS CAMP CONTRACT TRANSPORTATION EVENTS

Contract	Total Daily Transportation Events	Maximum Daily Snowmobile Events
West Entrance – 1 contract this prospectus		
CC-YELL500-14	5	1

In addition to the 5 OSV transportation events allocated under the Draft Contract, the Service will assign twenty-seven (27) transportation events to Xanterra Parks & Resorts, seventy-four (74) transportation events to twenty-three (23) other OSV concession contracts, and four (4) transportation events to non-commercial guides.

HISTORICAL GROSS REVENUE

"Gross Revenue" as shown here includes receipts as reported by the Existing CC-YELL300-04 Concessioner. (The CC-YELL500-14 concession contract is the former CC-YELL300-04 contract). The Draft Contract requires transportation events that could include both snowcoaches and snowmobiles; however, the Existing Contract authorized only snowcoach service, in addition to the Skiers Camp. The National Park Service accepts no responsibility for the accuracy of these figures. All concessioners must pay Franchise Fees on "gross receipts," which is gross revenue less certain expenses as defined in Sec. 2 of the Draft Contract.

Historical Annual Gross Revenue for CC-YELL300-04

Annual Revenue	2010	2011	2012
CC-YELL300-04	\$157,488	\$187,540	\$191,19

Source: National Park Service

MINIMUM FRANCHISE FEE

Two percent (2%) of the first \$200,000 of the concessioner's annual gross receipts and three percent (3%) of all gross receipts over \$200,000 per year.

TERM OF CONTRACTS

Ten (10) years, projected to start May 1, 2014. The Service will establish the actual effective date of the Contracts at time of Contract award.

ESTIMATED INVESTMENT AMOUNTS

INVESTMENT For Snowcoaches	AMOUNT
1 Yellowstone Best Available Technology (BAT) snowcoach	\$135,000
Total	\$135,000

INVESTMENT For Snowmobiles	AMOUNT
Personal Property Per Person (helmets, gloves, snowsuits, boots)	\$1,500
1 Yellowstone Best Available Technology (BAT) snowmobile	\$10,000
Total	\$11,500

INVESTMENT For Other Personal Property	AMOUNT
Tents and temporary rustic structures (for example, yurts, outhouse with holding tank, shower room with holding tank, storage shed, etc.)	\$60,000
Camp, sleeping, & kitchen equipment	\$20,000
Total	\$80,000

Source: National Park Service

The Service does not warrant the estimated amount of initial investment provided in the above tables and is not bound by these estimates. The Service presents these amounts for the sole purpose of providing an estimate of potential financial investment. Offerors should not rely on these NPS estimates of initial investment. Offerors are responsible for conducting their own due diligence and calculating their own estimates of the investment required to support the Required Services in the Draft Contract.

A successful Offeror should demonstrate it has or will have the capacity to operate the full allocation of OSV transportation events during year one of the Draft Contract.

PREFERRED OFFEROR STATUS

The Director, pursuant to the terms of 36 Code of Federal Regulations (C.F.R.) Part 51, has determined that no Preferred Offeror for the Draft contract exists.

This solicitation for one (1) Concession contract is fully competitive.



NPS Photos



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INTRODUCTION

The National Park Service ("Service") intends to award one (1) concession contract for Guided Interpretive Oversnow Vehicle transportation events and Skiers Camp within Yellowstone National Park (Area). This Prospectus describes in general terms the existing business operations and the future business opportunities required and authorized by the Service. Offerors are responsible for reviewing all sections of this Prospectus and specifically, the terms and conditions of the attached Draft Concession Contract CC-YELL500-14 (Draft Contract), including its exhibits, to determine the full scope of a future Concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (P.L. 105-391), as implemented by the Service in Title 36 of the Code of Federal Regulations (C.F.R.) Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to existing concessioner under the existing concession contract CC-YELL300-04 ("Existing Contract"). The Existing Contract and a copy of 36 C.F.R. Part 51 is included as Appendices to this Prospectus.

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, the latter will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

The National Park Service presents a unique opportunity for highly qualified operators to provide concession operations in Yellowstone National Park. The Service expects all operators to provide exceptional service to Yellowstone National Park visitors.

Offerors are responsible for reading and understanding the current winter use rules for Yellowstone National Park. Refer to Appendix Yellowstone National Park Winter Use Final Rule (36 C.F.R. §7.13(l)).

A transportation event consists of a group of snowmobiles including a guide, or one snowcoach with a commercial driver. Under the the Draft Contract, the Service authorizes up to 5 total commercial transportation events daily, but no more than 1 transportation event may be comprised of snowmobiles. Managing OSV use by transportation events gives snowcoach and snowmobile commercial tour operators greater flexibility, allows for higher numbers of visitors, and will make the Area cleaner and quieter.

In addition to the 5 OSV transportation events allocated under the Draft Contract, the Service will assign twenty-seven (27) transportation events to Xanterra Parks & Resorts, seventy-four (74) transportation events to twenty-three (23) other OSV concession contracts, and four (4) transportation events to non-commercial guides. These have a total of 110 OSV transportation event allocations as allowed by the Final Rule.

The Draft Contract requires:

- Commercial OSV use will continue to be 100% guided.
- OSV Transportation Events as defined in the Draft Contract, Section 2(o) for the complete definition of a transportation event.
- Implementation of sound and air emission standards from the Final Rule begin in the 2016-2017 winter season for existing snowcoaches, and apply to all new snowcoaches brought into service starting in the 2014-2015 winter season.
- Implementation of sound and air emission requirements from the Final Rule for existing snowmobiles will remain in effect until new lower maximum allowable sound and carbon monoxide (CO) emissions requirements for the 2015-2016 winter season take effect.
- Incentives based upon voluntary compliance with enhanced emission standards will allow the size of a transportation event to increase from one to two snowcoaches per event, not to exceed a seasonal average of 1.5 snowcoaches per event, and from a seasonal average of 7 to 8 snowmobiles per

event. Use of voluntary enhanced emissions standards does not increase the number of daily transportation events.

- The Service continues winter use monitoring and allows adaptive management that may result in modifying or adjusting management decisions pertaining to OSV use in the Area.

The Service reserves the right to reallocate consistently underused transportation events from the Concessioner to other Concessioners.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation mandated that America's National Park Service was created by Congress to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States.... (16 U.S.C. §1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service (NPS), visit www.nps.gov. This site includes information about the Service's mission and policies as well as information on individual park units.

YELLOWSTONE NATIONAL PARK AND ITS MISSION

On March 1, 1872, President Ulysses S. Grant signed the Yellowstone National Park Act into law, creating the world's first national park. The Yellowstone National Park Act says, in part that:

"The tract of land in the States of Montana and Wyoming, lying near the headwaters of the Yellowstone River...is hereby reserved and withdrawn from settlement, occupancy, or sale...and dedicated and set apart as a public park or pleasuring ground for the benefit and enjoyment of the people." (16 U.S.C. § 21)

The mission of Yellowstone National Park (Park) is as stated in the State of the Park's report (1999):

"Preserved within Yellowstone National Park are Old Faithful and the majority of the world's geysers and hot springs. An outstanding mountain wild land with clean water and air, Yellowstone is home of the grizzly bear and wolf and free-ranging herds of bison and elk. Centuries old sites and historic buildings that reflect the unique heritage of America's first national park are also protected. Yellowstone National Park serves as a model and inspiration for national parks throughout the world. The National Park Service preserves, unimpaired, these and other natural and cultural resources and values for the enjoyment, education, and inspiration of this and future generations."

The Area has further clarified its mission through the following goals:

Preserve Park Resources

- Yellowstone's natural and cultural resources and associated values are protected, restored, and maintained in good condition and managed within their broader ecosystem and cultural context.
- Yellowstone National Park contributes to knowledge about natural and cultural resources and associated values; management decisions about resources and visitors are based on adequate scholarly and scientific information.

Provide for the Public Enjoyment and Visitor Experience

- Yellowstone visitors safely enjoy and are satisfied with the availability, accessibility, diversity, and quality of Park facilities, services, and appropriate recreational activities.

- Yellowstone visitors, the American public, and the people of the world, understand and appreciate the preservation of Yellowstone National Park resources and associated values for this and future generations.

Ensure Organizational Effectiveness

- Yellowstone uses appropriate and effective management practices, systems, and technologies to accomplish its mission.
- Yellowstone increases its managerial capabilities through partnership initiatives and support from other agencies, organizations, and individuals.

The Area considers concessioners and other business operators within the Area as critical participants whose actions have dramatic and important effects upon visitors and Area resources. As such, concessioners should understand and embrace the Area's mission and work to achieve the Area's objectives while also striving to fulfill their own organizational and business goals.

Exhibit 1 Yellowstone National Park Map includes distances between developed areas. Find additional information about the Area at www.nps.gov/yell. Refer to Exhibit 9 for groomed Winter Use roads.

Exhibit 1 Yellowstone National Park Map



Source: National Park Service

MARKET AREA OVERVIEW

Wyoming Tourism Market

The most popular destinations are Yellowstone National Park, the Jackson Hole area, and Grand Teton National Park.

Wyoming Office of Tourism's 2012 Year in Review and the 2012 Overnight Visitor Profile Research Report listed the following travel profile and characteristics. (Source: at www.wyomingofficeoftourism.gov)

- The average length of stay for overnight visitors was 2.9 days.
- The average party size for visitors to Wyoming was 3.2.
- 60% of visitors traveled from other states to reach Wyoming.
- 87% of visitors used either their own vehicle or a rental vehicle to travel to Wyoming.
- The overnight visitor to Wyoming is educated, affluent, and trending younger
 - 93.5% of adult visitors are college graduates, in graduate school, or have taken college courses.
 - The average age of visitors to Wyoming is 40.
 - Visitors have an average annual income of \$77,000.

According to the Wyoming Economic and Demographic Forecast 2005 to 2014, with more than \$1 billion in direct expenditures and 28,000 jobs, Wyoming's travel and tourism industry is an important part of the overall economy, particularly for the Northwest Region of the state. Its economic effect crosses many retail trade and services related sectors such as gasoline stations, general merchandise stores, arts, entertainment, and recreation services.

Local Market Area

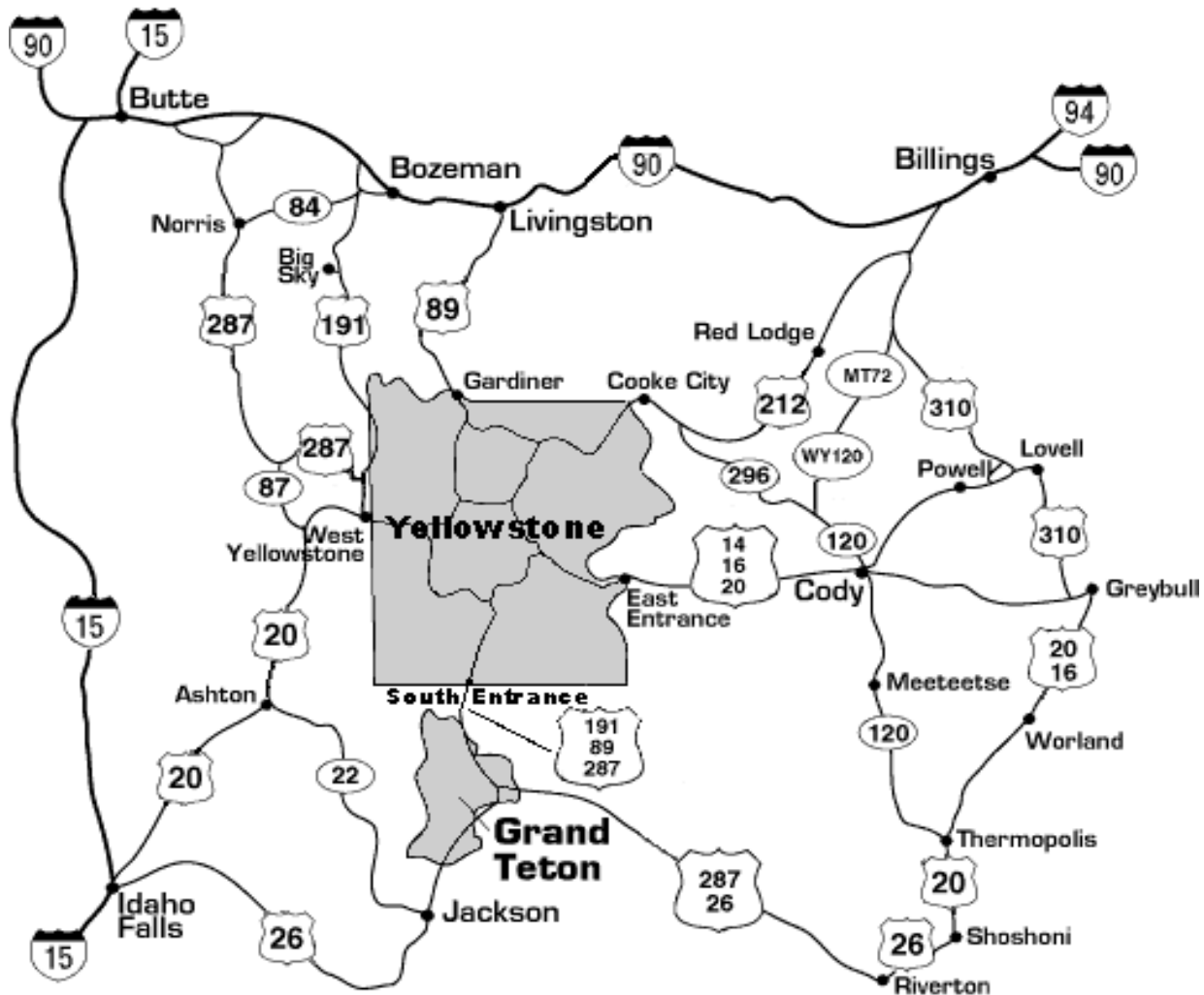
The Service believes the operations under the Draft Contract provide a unique opportunity for the Concessioner to operate in a world-famous location. The gateway communities referred to in this Prospectus lie immediately adjacent or within an easy travel distance to an entrance to the Area. These area gateway communities include West Yellowstone and Gardiner, Montana, and Cody and Jackson, Wyoming. (Exhibit 2) All four cities offer lodging, food and beverages, souvenirs, and groceries during the winter. In addition, all are relatively close to winter sports opportunities on federal and private lands outside the Area, including snowmobiling, Nordic skiing, and alpine skiing. Specific information about services and activities in each of these communities are available on their respective city websites.

Exhibit 2 Gateway Communities

Community	Location	Population
Cooke City, Montana	4 Miles From the Area's Northeast Entrance	140
Gardiner, Montana	At the Area's North Entrance	851
West Yellowstone, Montana	At the Area's West Entrance	1,435
Cody, Wyoming	53 Miles From the Area's East Entrance	9,187
Jackson, Wyoming	64 Miles From the Area's South Entrance	9,631
Livingston, Montana	56 Miles From the Area's North Entrance	7,411
Bozeman, Montana	82 Miles From the Area's North Entrance	37,981

Source: National Park Service and U.S. Census Bureau, 2007

Exhibit 3 presents an area map showing the Area and nearby landmarks. The Area is located in the northwest corner of Wyoming with portions extending into southwestern Montana and southeastern Idaho.

Exhibit 3 Regional Map

Source: National Park Service

WINTER WEATHER

Weather is unpredictable in the Greater Yellowstone area, especially in the winter. The first heavy snows typically fall by early November and continue through April. Temperatures often range from zero to 20°F throughout the day. Sub-zero temperatures over-night are common. The record low temperature is -66°F. Snowfall is highly variable. Exhibit 4 provides average climatic conditions in the Area.



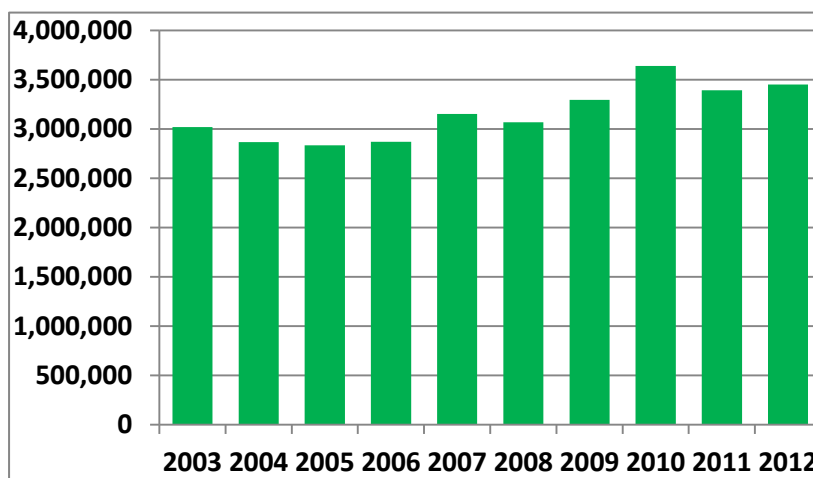
Exhibit 4: Average Area Climatic Conditions

Month	Avg. Max. Temp (F)	Avg. Min. Temp (F)	Avg. Precipitation (inches)	Avg. Total Snow Fall (inches)
January	28.6	9.6	1.1	14.5
February	34.0	13.0	0.75	10.4
March	39.6	17.2	1.1	13.1
April	49.4	26.0	1.2	5.9
May	60.4	34.3	2.0	1.0
June	70.0	41.2	1.5	0.1
July	79.6	46.7	1.5	0.0
August	78.3	45.3	1.4	0.0
September	67.8	37.0	1.3	0.5
October	55.7	29.4	1.0	3.7
November	38.7	19.2	1.0	9.0
December	30.5	11.8	1.0	13.5
Annual Avg	52.8	27.6	15.4	72.1

Source: National Park Service

<http://www.nps.gov/yell/planyourvisit/weather.htm>**PARK VISITATION**

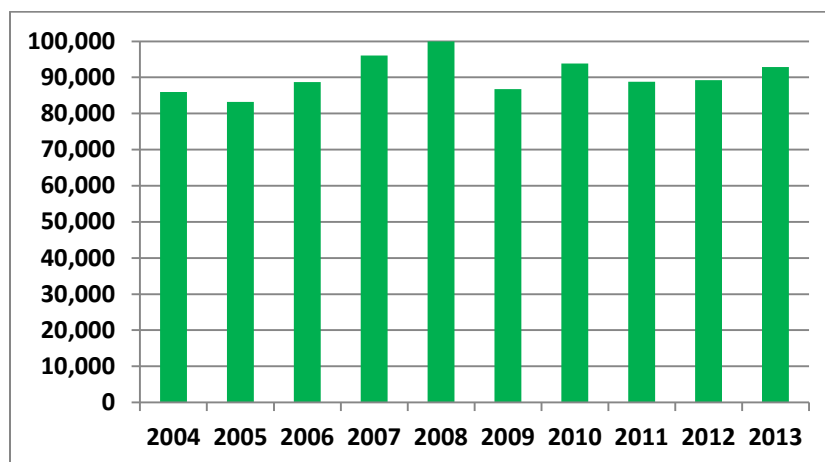
Visitation to the Area is highly seasonal. Winter season is typically from December 15 through March 15. Exhibit 5 depicts recreation visitation to Yellowstone National Park from 2003 through 2012. Average visitation to the Area over the last ten years is approximately 3.2 million visits with the lowest visitation of 2,868,317 reported in 2004 and the highest visitation of 3,449,729 reported in 2012.

Exhibit 5: Yellowstone National Park Visitation: 2003 through 2012

Source: National Park Service

Exhibit 6 represents winter recreation visitation to Yellowstone National Park from 2004 through 2013. Additional visitation and visitor use statistics are available at <https://irma.nps.gov/Stats/>

Exhibit 6: Winter Season Park Visitation: 2004 through 2013



Source: National Park Service

VISITOR STUDY

The 2012 Winter Yellowstone National Park Visitor Study presents the most recent and comprehensive visitor study regarding demographics of Yellowstone National Park visitors. The complete 2012 Winter Yellowstone National Park Visitor Study is included as an appendix to this Prospectus.

EXISTING CONCESSION OPERATION

EXISTING REQUIRED AND AUTHORIZED SERVICES

Guided Interpretive Oversnow Vehicle Tours and Skiers Camp are currently being provided under a snowcoach Concession Contract CC-YELL300-04 that went into effect January 1, 2004. Following a one-year contract extension, it is currently due to expire on April 1, 2014. The skiers camp, located near Canyon Village, includes overnight lodging and food service in yurts and tents. The existing concessioner's franchise fee is 3% of gross receipts.

Exhibit 7 provides a summary of the Required and Authorized Services contained within the existing Concession Contract. The Service allocated the Contract six (6) daily snowcoach trips that entered the Area from the West Entrance.

Exhibit 7: Existing Required and Authorized Concession Services

Required Services	Size and Scope	Operating Season
Provide Guided Interpretive Oversnow Transportation services, using tracked vehicles suitable for Oversnow use in Yellowstone National Park.	Tours originate at the Area's West Entrance. Area-wide use is authorized. Service approval is required for all equipment.	December 15 through March 15
Provide a skiers camp	The Concessioner will conduct cross-country ski trips out of a skiers' camp located near Canyon Village. The camp includes overnight lodging in yurts and food service.	December 15 through March 15

Authorized Services	Size and Scope	Operating Season
Provide snowcoach tours that are day trips only OR several days' duration with overnight accommodations included.	Concessioner will offer snowcoach tours to Area destinations returning the same day, unless the tour is spending the night at Old Faithful. Trips will include interpretive tours presented by qualified guides with knowledge of the Area. The trip will include a safe environment with stops at major attractions.	December 15 through March 15
OSV Freight and Supply Hauling	Haul freight and supplies for other concessioners and park contractors during the winter when roads are closed to conventional vehicular travel.	December 15 through March 15
OSV Towing	Tow disabled oversnow vehicles from the Area.	December 15 through March 15
Other Activities	Provide tours that include cross-country skiing, snowshoeing, photography, wildlife viewing, and sightseeing, etc.	December 15 through March 15
Food Service to Guests only	Provide clients with lunches or snacks and beverages, which have been prepared in commercial food services operations inspected by State or Local Public Health Service Officials.	December 15 through March 15
Road-Based Transportation	Provide road-based tours in Yellowstone and Grand Teton National Parks. A road-based tour is a vehicle tour on paved park roads, with visits to facilities and services in combination with short walks in front country locations.	Year-round
Summer Activities	Provide summer activities that include "day-hiking" walking tours (within five (5) miles of the roads), and photo excursions.	Summer Operating Season – May through October

Source: National Park Service

CURRENT RATE DETERMINATION METHOD FOR REQUIRED SERVICES

Methods used by the Service to determine the reasonableness and appropriateness of rates and charges are set out in the National Park Service Concession Management Rate Approval Guide (July 2010), a copy of which is included as an Appendix to this Prospectus.

HISTORICAL GROSS REVENUE

"Gross Revenue" as shown here includes receipts as reported by the Existing CC-YELL300-04 Concessioner. (The CC-YELL500-14 concession contract is the former CC-YELL300-04 contract). The Draft Contract requires transportation events that could include both snowcoaches and snowmobiles; however, the Existing Contract authorized only snowcoach service, in addition to the Skiers Camp. The National Park Service accepts no responsibility for the accuracy of these figures. All concessioners must pay Franchise Fees on "gross receipts," which is gross revenue less certain expenses as defined in Sec. 2 of the Draft Contract.

Exhibit 8 Historical Annual Gross Revenue for CC-YELL300-04

Annual Revenue	2010	2011	2012
CC-YELL300-04	\$157,488	\$187,540	\$191,19

Source: National Park Service

FUTURE CONCESSION OPERATIONS

Offerors are responsible for reading and understanding the current winter use rules for Yellowstone National Park. Refer to Appendix Yellowstone National Park Winter Use Final Rule (36 C.F.R. §7.13(l)).

Daily allocations in the current contracts that allow a fixed number of snowcoaches in the Area each day have been replaced with a flexible concept of oversnow transportation events. The Draft Contract will require the Concessioner to provide guided interpretive OSV transportation events. Within an allowable number of transportation events, Concessioner will have the opportunity to combine snowcoach and snowmobile trips in a way that protects park resources and provides flexibility to respond to fluctuations in visitation demand. The Draft Contract also requires the concessioner to conduct cross-country ski and snowshoeing trips from a Skiers Camp located near Canyon Village that includes lodging and food service in temporary rustic accommodations. The Draft Contract will also authorize guided interpretive OSV tours that include photography and wildlife viewing, OSV custom and charter tours, day-trip food service to guests only, OSV towing and repair, and OSV freight and supply hauling.

Concessioners operating under the Draft Contracts will no longer be allowed to conduct road-based tours (tours occurring at times of year when the roads are not covered in snow). Operators wishing to conduct road-based tours in either Yellowstone or Grand Teton National Park must apply for a CUA permit from each Area's concession office respectively. Concessioners under Draft Contracts that include South Entrance allocations may transport customers through Grand Teton National Park to Flagg Ranch on the John D. Rockefeller Jr. Memorial Parkway during the winter season only.

OVERSNOW TRANSPORTATION EVENTS

The Service allows transportation events by entrance station and the Draft Contracts has a specified number of daily allocations. Excluding allocations to Xanterra Parks & Resorts, the Draft Contract allows up to 5 commercially guided OSV transportation events each day with no more than 1 transportation event by snowmobiles. The Draft Contract will allow the Concessioner to provide transportation events using both snowcoaches and snowmobiles. Exhibit 11 shows the daily allocations for the Draft Contract. Trips may differ due to destinations, routes, charters, or overnight trips within the Area.

Subject to the limitations of the Final Rule and the Draft Contract, commercial tour operators may decide whether to use their daily allocation of transportation events for snowmobiles or snowcoaches. Subject to the same limitations, transportation events allocated to commercial tour operators may be exchanged among commercial tour operators, but only for the same entrance or location.

The Final Rule allows for an increase in the average number of snowmobiles in a snowmobile transportation event and an increase in the average number of snowcoaches in a snowcoach transportation event if certain requirements are met. Refer to Appendix Yellowstone National Park Winter Use Final Rule (36 C.F.R. §7.13(l)).

Opening and closing dates for Area roads open to oversnow vehicle traffic are set annually. Currently, most roads open on December 15 and close the following March 15. There are exceptions. Currently, the road between the East Entrance and Fishing Bridge over Sylvan Pass opens on December 22 and closes on March 1. Also, some roads close in March before the 15th. Examples include Mammoth to Norris Junction and Norris Junction to Canyon and Norris Junction to Madison Junction. The Service determines the specific opening and closing dates by weather, snow conditions, and other factors.

The Service allows OSV travel on most main interior Area roads with the exception of Dunraven Pass between Tower Junction and Mount Washburn overlook, which is closed due to avalanche danger. Motorized OSV travel is permitted only on the groomed roads and parking areas. The Service grooms 193 miles of OSV routes in the Area. The Service also grooms about 35 miles of road for non-motorized uses in the Area. Groomed roads for OSV travel are shown in **Exhibit 9**.

The staging areas for snowmobile and snowcoach trips entering the Area are: outside the North Entrance; Pahaska Teepee in the Shoshone National Forest three miles from the East Entrance; Flagg Ranch two miles from the South Entrance; and West Yellowstone adjacent to the West Entrance.

Winter lodging facilities in the Area include the Mammoth Hotel and the Old Faithful Snowlodge. Together, these hotels have 229 rooms with 412 beds.

Exhibit 9 Round Trip Distances for common OSV Trips

Destination	West Entrance	North Entrance (Mammoth)	South Entrance (Flagg Ranch)	East Entrance (Pahaska)
Old Faithful	60 miles	102 miles	78 miles	136 miles
Canyon Village	80 miles	94 miles	118 miles	92 miles

Source: National Park Service

Exhibit 10 Groomed OSV Routes - Roads marked in red are open for OSV tours.



Source: National Park Service

SKIERS CAMP

The skiers camp is a 0.8-acre clearing in the forest near Canyon Village designed to provide a winter camping experience in rustic accommodations for cross country skiers, snowshoers, photographers, and sightseers. (See Exhibit 13 and Draft Contract Exhibit C Assigned Land.) Under the Draft Contract, the Concessioner is required to provide OSV transportation events and transportation to the camp from the West Entrance and multiple trailheads, overnight accommodations, and food service. In addition, the Concessioner is authorized to provide recreational opportunities, such as guided tours, snowshoeing, and cross-country skiing. (See Exhibit 12 contains a complete list of authorized services.) The Concessioner uses OSVs to transport guests and provide logistical support to the camp, including propane, food, water, luggage, linens, and other supplies. The OSV round-trip journey from West Yellowstone to the Skiers Camp is more than 80 miles.



Skiers Camp yurt photo courtesy of
Yellowstone Expeditions, existing concessioner

All facilities, utilities, and structures at the skiers camp are Concessioner-owned personal property; no permanent structures may be built. The Concessioner assembles and disassembles the skiers camp facilities every year. Set up typically starts in early September and take down typically begins in May, depending on the weather. The Concessions Management Office may approve year-round storage of disassembled personal property, such as hut walls and platforms.

At a minimum, skiers camp temporary facilities must include a dining room/gathering place, kitchen, sleeping huts, bathrooms, and showers. Sleeping capacity must be up to and no more than 21 persons (not to exceed 16 guests). The Concessioner-provided electricity may be from solar, battery, or generator. The Concessioner must transport fresh water to the camp in National Sanitation Foundation (NSF International) approved containers. Wastewater from the kitchen, bathroom, and shower facilities must go to holding tanks that the Concessioner is responsible for pumping and transporting out of the Area at the end of the season when wheeled transportation resumes. The wastewater tanks must be above ground and sized appropriately. The Concessioner must segregate solid waste into landfill waste, recyclables, and compostable waste and haul it out of the Area regularly by OSV. All materials, installation, end-of-season removal, and permits, such as required by the Wyoming Department of Environmental Quality, are the responsibility of the Concessioner. Food and garbage must be stored in wildlife-proof containers.



Image courtesy of Yellowstone Expeditions

The Existing Concessioner uses canvas yurts on wood platforms and has eight (8) sleeping huts for guests and five (5) for guides, a dining room/gathering place, a camp kitchen, and bathroom/shower facilities. With NPS approval, the Concessioner may use another form of temporary shelter, such as square tents, portable trailers, or recreational vehicles. The Concessioner must provide beds and bedding for in each sleeping structure. The Concessioner must provide guests with food and beverages, prepared by Concession staff in facilities and methods approved by the Area Office of Public Health.

CONTRACTS AND TRANSPORTATION EVENTS

Exhibit 11 CC-YELL500-14 Contract and Transportation Events

Contract	Total Daily Transportation Events	Maximum Daily Snowmobile Events
West Entrance – 1 contract this prospectus		
CC-YELL500-14	5	1

Source: NPS

In addition to the 5 OSV transportation events allocated under the Draft Contract, the Service will assign twenty-seven (27) transportation events to Xanterra Parks & Resorts, seventy-four (74) transportation events to twenty-three (23) other OSV concession contracts, and four (4) non-commercial guides.

REQUIRED SERVICES AND AUTHORIZED SERVICES

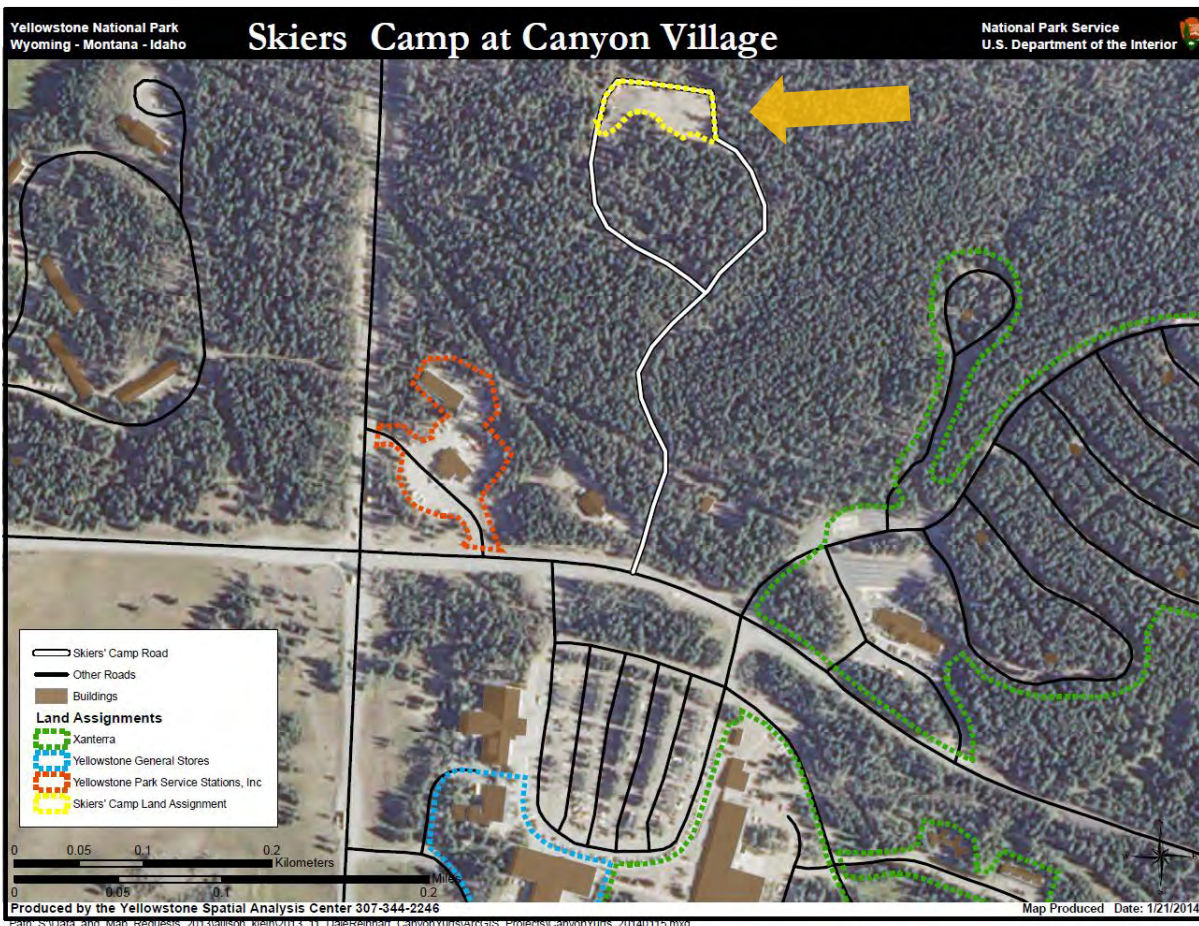
Exhibit 12 contains a summary of required and authorized services to be provided under the Draft Contract. In addition to the required services, the Concessioner will have discretion to provide services authorized in the Draft Contract. The Draft Contract, including its exhibits and attachments, hold details about these services.

Exhibit 12 Overview of Required and Authorized Services

Service	Description and Location
Guided Interpretive Oversnow Vehicle Transportation Events	Provide OSV tours that originate at the Area's West Entrance and take place throughout the Area. Tours are one or more days.
Provide a Skiers Camp	Temporary rustic accommodations located near Canyon Village that include lodging and food service
Service	Description and Location
Guided Interpretive OSV custom and charter transportation events	Provide tours that originate at the the Area's West Entrance, and take place throughout the Area. Operators may pick up visitors from other Area entrances. Tours are one or more days.
Guided Interpretive OSV transportation events including other services	Provide tours that include cross-country skiing, snowshoeing, photography, and wildlife viewing throughout the Area.
Guided OSV Shuttle Trips	Provide shuttle services that originate at any Area entrance for express delivery of clients to designated locations in the Area.
Food Service for clients only	Provide clients with food and beverages, which have been prepared in facilities approved by the Area Office of Public Health and Concessions Management Office.
OSV Towing and Repair	Tow disabled OSVs from the Area and perform minor repairs
OSV Freight and Supply	Haul Freight and Supplies for other Concessioners and park contractors throughout the Area during the winter, on roads closed to conventional vehicular travel.

Source: NPS

Exhibit 13 Location of Skiers Camp, aka Yurt Camp at Canyon Village, indicated by arrow



Source: National Park Service

OTHER COMMERCIAL SERVICE PROVIDERS

Four businesses hold concession contracts that require them to provide services in the Area year-round. Xanterra Parks & Resorts, operating under Concession Contract CC-YELL077-13, offers lodging, food, beverage, retail, and other services, including OSV tours, at Mammoth and Old Faithful. Delaware North Companies Parks and Resorts at Yellowstone, operating under Concession Contract CC-YELL002-03, offers retail, limited grocery, and limited food service at its general store in Mammoth. Yellowstone Park Service Stations (YPSS) operating under Concession Contract CC-YELL004-08 offers pay-at-the-pump gasoline sales at all the developed areas. Medcor, operating under Concession Contract CC-YELL001-10, offers medical services at its clinic in Mammoth. Additionally, twenty-three (23) OSV tour contracts are expected to start April 1, 2014, with transportation event allocations for the Area's East, South, and North entrances.

In addition, a number of businesses hold commercial use authorizations (CUAs) that offer guided photography, cross-country skiing and snowshoeing, and natural history tours of the Area during winter. These authorizations do not include oversnow transportation events. Winter lodging facilities in the Area include the Mammoth Hotel and the Old Faithful Snowlodge. Together, these hotels have 229 rooms with 412 beds.

Exhibit 14 Concession Operated Winter Visitor Services by Geographic Area

Developed Area	Auto Service / Gas Stations	Lodging, F&B, Retail	Camping	OSV Tours	Other (Including NPS Operated Facilities)
Mammoth Hot Springs	√	√	√	√	Winter Operations, Medical Clinic, Park Headquarters, Post Office, Visitor Center, NPS Campground
Tower-Roosevelt	√				
Canyon Village	√				Warming Hut
Lake Village					
Bridge Bay					
Fishing Bridge	√				Warming Hut
Old Faithful	√	√		√	Visitor Center, Warming Hut
Grant Village and West Thumb	√				Warming Hut,
Madison					Warming Hut
Norris					
North Entrance	√				
West Entrance				√	CC-YELL500-14 includes a Skiers Camp near Canyon Village.
South Entrance	√			√	at Flagg Ranch (JODR)
East Entrance	√	√			at Pahaska Teepee (not concession operated)

Source: National Park Service

EXTERNAL FACTORS

External factors may affect the Concessioner's operations under the Draft Contract. In particular, prospective Offerors should consider the potential effects of the factors listed below when preparing their proposals.

WINTER USE RECORD OF DECISION/FINAL RULE

Offerors are responsible for reading and understanding the current winter use rules for Yellowstone National Park. Refer to Appendix 11 Yellowstone National Park Winter Use Final Rule (36 C.F.R. §7.13(l)).

The Service requires:

- Commercial OSV use will continue to be 100% guided.
- OSV Transportation Events. Reference the Draft Contract, Section 2(o) for the complete definition of a Transportation Event.
- Implementation of sound and air emission standards from the Final Rule begin in the 2016-2017 winter season for existing snowcoaches, and apply to all new snowcoaches brought into service starting in the 2014-2015 winter season.
- Implementation of sound and air emission requirements from the Final Rule for existing snowmobiles will remain in effect until new lower maximum allowable sound and carbon monoxide (CO) emissions requirements for the 2015-2016 winter season take effect.
- Incentives based upon voluntary compliance with enhanced emission standards will allow the size of a transportation event to increase from one to two snowcoaches per event, not to exceed a seasonal average of 1.5 snowcoaches per event, and from a seasonal average of 7 to 8 snowmobiles per event. Use of voluntary enhanced emissions standards does not increase the number of daily transportation events.

- The Service continues winter use monitoring and allows adaptive management that may result in modifying or adjusting management decisions pertaining to OSV use in the Area.

The Service reserves the right to reallocate consistently underused transportation events from the Concessioner to other Concessioners.

INVESTMENT ANALYSIS

LEASEHOLD SURRENDER INTEREST

There is no Leasehold Surrender Interest associated with the Existing Contract. There is no Leasehold Surrender Interest associated with the Draft Contract.

PERSONAL PROPERTY INVESTMENT

Concessioners are required to provide guided interpretive OSV tours. Snowcoach tours require the use of an enclosed vehicle capable of carrying a minimum of eight (8) passengers. The Service estimates the initial personal property investment associated with the CC-YELL500-14 Draft Contract at \$135,000 per snowcoach. The Service assumes a full snowmobile event consists of seven (and up to 10 on peak days) snowmobiles, including the guides' machine. All participants in a guided snowmobile tour would need appropriate outfits and gear for the weather, including snowsuits, boots, helmets, gloves, and hearing protection. The Service estimates the initial personal property investment associated with the CC-YELL500-14 Draft Contract at \$11,500 per snowmobile. Concessioners will be required to purchase, retrofit, or acquire any personal property that is necessary to operate this business opportunity.

CC-YELL500-14 Draft Contract requires the Concessioner to provide a Skiers Camp near Canyon Village. The Service estimates the initial personal property investment for temporary structures and camp and kitchen equipment at \$80,000. Offerors will be required to purchase, retrofit, or acquire any personal property that is necessary to operate this business opportunity.

Offerors should not rely on Service estimates in preparing and submitting proposals in response to this Prospectus. Offerors must make their own determinations of what Personal Property is needed to provide the services of the contracts.

INITIAL INVESTMENT SUMMARY

A breakdown of the initial amounts the Service estimates the Concessioner will invest appears in the Exhibit 14. Amounts are in 2013 dollars.

Exhibit 15 Estimated Investment Amount

INVESTMENT For Snowcoaches	AMOUNT
1 Yellowstone Best Available Technology (BAT) snowcoach	\$135,000
Total	\$135,000

INVESTMENT For Each Snowmobiles	AMOUNT
Personal Property Per Person (helmets, gloves, snowsuits, boots)	\$1,500
1 Yellowstone Best Available Technology (BAT) snowmobile	\$10,000
Total	\$11,500
INVESTMENT For Other Personal Property	AMOUNT
Tents and temporary structures (for example, yurts, outhouse with holding tank, shower room with holding tank, storage shed, etc.)	\$60,000

Camp, sleeping, & kitchen equipment	\$20,000
Total	\$80,000

Source: National Park Service

A successful Offeror should demonstrate it has or will have the capacity to operate the full allocation of OSV transportation events during year one of the Draft Contract. Exhibit 16 demonstrates the Service's assumption of what constitutes a full allocation.

Exhibit 16 Example of Vehicle Investments by Contract*

Investment Options By Contract Type	Option	Snowcoach (number of machines)	Snowmobiles (number of machines)
Five (5) Total Transportation Events, with Max of One (1) Snowmobile Events			
CC-YELL500-14	Option A	5	0
	Option B	4	7

Source: National Park Service

* This table represents different ways an Offeror could meet the full allocations of transportation events under the Draft Contract. The Service assumes the Concessioner is using its full allocation of snowmobiles if it is averaging 7 snowmobiles per transportation event.

SUBCONCESSIONS

The Concessioner may enter into no more than two subconcession contracts to only offer guided OSV transportation events to visitors by either snowcoach or by snowmobile, but not by both, as the Concessioner shall remain solely responsible for all transportation events using the alternative type of oversnow vehicle and the skiers camp. For example, if you intend to provide snowcoach transportation events, you may only enter into a Subconcession contract with an operator to provide snowmobile transportation events or vice versa. All requirements applicable generally to Concessioners under the Contract and its exhibits are also applicable to any Subconcessioner under the Draft Contract.

CONCESSIONER FINANCIAL PROJECTIONS

The Proposal Package of this Prospectus requires Offerors to develop financial projections based upon the services under the Draft Contract. Offerors must exercise caution in using the historical information and Service estimates. The Service will not provide financial projections. Each Offeror is responsible for conducting its due diligence, producing its own financial projections, and relying on its own financial assumptions.

RATES

It is the objective of the Area to ensure that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided in the private sector. The Service will determine the reasonableness of rates based upon the NPS Concession Management Rate Administration Guide included as an Appendix to this Prospectus. The Draft Contract Exhibit B - Operating Plan describes the rate approval methods used, which may be subject to change. The current approved rate determination method is market declaration for all services and facilities. Proposed rate changes require prior approval by the Area Superintendent.

FRANCHISE FEE

The minimum franchise fee will equal to two percent (2%) of the first \$200,000 of the concessioner's annual gross receipts and three percent (3%) of all gross receipts over \$200,000 per year. This tiered franchise fee

structure is effective for the term of the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab III of this Prospectus). A Subconcessioner must report all of its gross receipts to the Concessioner without allowances, exclusions, or deductions of any kind or nature. The Concessioner is responsible for submitting the correct franchise fee payment to the Service based on total of gross receipts, including receipts from the Subconcessioner.

TERM AND EFFECTIVE DATE OF CONCESSION CONTRACT

The CC-YELL500-14 Draft Contract has a term of ten (10) years beginning on its effective date, which the Service estimates as May 1, 2014. The effective date of the Draft Contract may change prior to contract award if deemed necessary by the Service. The Service will change the expiration date of the Draft Contracts to provide the same term length from any adjustment to the effective date.

SITE VISIT

No site visit is planned for this solicitation.



NPS photo